

DCI Notes
31 October 78

CENTRAL AMERICA

I. Nicaragua

(Nicaragua
Map)

A. FSLN Prognosis - not doing well, but

1. Threat of more attacks still high
2. Disarray doesn't mean pressure will go off -
feel must not let Somoza regroup
3. There are units large enough to initiate major attacks
- Then others will jump on bandwagon
4. Still the National Guard will be able to defeat them
militarily so long as general populace doesn't join in.

B. Mediation - some disarray

(Group of
Twelve Chart)

1. Opposition plan has been tabled
2. Withdrawal of Group of Twelve creates potential problems
- Inhibits remaining groups &
- Spotlights question of Somoza's early departure
3. Somoza's side initially very unreceptive to opposition plan

(El Salvador
Map) II. Impact on nearby El SalvadorA. Central American basket case - Deep seated problems may be triggered off big events in Nic(Economic
Chart)

1. Too many people
- 210 km² equals India
- 3.2% population growth last 15 yrs
2. Rigid society & economy
- Coffee predominates plus sugar, cotton
- Little social mobility
- Uneven income distribution
3. Safety valve migration shut off '69
25,000 illegally enter US/year
4. Insular, extremely conservative military

*regressive
long history with
hoaxers*

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S E C R E T

TAB B

- Vivid memory of 1932 peasant uprising (14,000 dead)
- Progressive elements too few, too scattered

5. President (ex-general) Romero

- a. 16 mos. record disappointing
- b. Most believe initial promising rhetoric sham
 - Let dialogue with opposition and Church die
 - Has aggressively attacked Church
 - Lifted state of siege
 - But passed Law of Public Order-broad detention power

B. Political violence, terrorism up post 75

1. Largest guerrilla organization, FPL now 600 militants - 2500 supporters (larger than was FSLN a year ago)
 - May be encouraged events Nic - or imminence in problems might trigger Gov't to send help - in turn incite & encourage opposition at home
 - FPL controls 60,000 member front organization
2. FPL - \$9 million ransom last year-kidnapped/killed foreign minister last year
 - No member FPL terrorist action element apprehended
3. FPL cooperates with Guatemalan terrorists, has reached agreement with Cuba for military/ideological training

C. Further signs unrest

1. Rural clashes with security forces earlier this year-- continued recruitment by pro and anti-government groups
2. More demonstrations, more weaponry available

D. El Salvador could

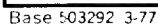
1. May limp along-sporadically violent
 - Government has men, weaponry, brutality on its side
 - Violence could be met by repression-possible right wing coup
2. But possibility of spiraling violence-situation could provide martyr and leader extremists now lack
3. Not confident we'll be able to give "tactical" warning

S E C R E T

- E. As always in Central America, US would be expected to pick up the pieces
 - We are providing State with detailed assessments to assist their contingency planning

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S E C R E T



El Salvador



El Salvador and Central America Selected Indicators

Note change in scales

